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Press Release

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Green Bay Man Convicted in Court Trial of Filing False Income Tax Returns

Michelle L. Jacobs, the Acting United States Attorney for the Eastern District of Wisconsin, announced that on May 29th Wayne Kruse (61) of Green Bay was convicted after a court trial of three counts of filing false federal income tax returns and one count of conspiring with his former accountant, Lonnie Swaney (56) of De Pere to defraud the United States and to impede the Internal Revenue Service (IRS).

Kruse, who is the owner of Wayne's Caulking, a commercial caulking business located in Green Bay waived his right to a jury trial and was convicted by U.S. District Judge William C. Griesbach. He was convicted of filing false tax returns for the years 2002 - 2004 that overstated his business expenses by more than \$450,000 and, thereby, under reported his income and the federal taxes he owed by more than \$160,000. Kruse was also convicted of conspiring with Swaney to impede the IRS, which was auditing his tax returns, by providing false information to IRS agents investigating the matter.

Based on his convictions, Kruse faces up to 14 years in prison and fines of up to \$1 million, plus the cost of his prosecution. Kruse will also have to pay all back taxes plus interest and penalties to the IRS. Judge Griesbach has scheduled Kruse's sentencing for September 10, 2009, at 1:30 p.m. Kruse remains free on bond pending his sentencing.

Lonnie Swaney, who is the owner of Pullen Accounting & Tax Preparation, Inc., which is located in De Pere, previously pleaded guilty to conspiring with Kruse to defraud the United States by preparing Kruse's false tax returns and providing false information to IRS agents. On May 4, 2009, Judge Griesbach sentenced Swaney to 6 months in prison and ordered him to pay restitution to the IRS along with Kruse in the amount of \$168,000.

This matter was investigated by the Criminal Investigation Division of the Internal Revenue Service. The prosecution was handled by Assistant United States Attorneys William J. Roach and Matthew L. Jacobs.

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